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ABSTRACT

Alaska's State Training and Employment Program (STEP) was designed with the primary objective of reducing current and future claims against Unemployment Insurance (UI) benefits by providing training to those who are unemployed or facing unemployment. STEP is also charged with fostering growth of existing businesses and attracting new businesses to Alaska by developing a skilled workforce and lowering employer UI costs. STEP's activities and outcomes in fiscal years 1999-2001 were reviewed. The review established that STEP served 1,568 clients in 2001. New enrollment was up 20.3%, and fewer than half of STEP's clients from the previous year continued services. STEP's expenditures for 2001 totaled \$2.78 million. The average expenditure per client decreased from \$1,981 to \$1,539 between 1995 and 1999 but rose to \$1,602 in 2000 and \$1,776 in 2001. Individuals who participated in STEP in 2000 filed 43.6% fewer UI claims and collected 67.4% less in benefits in the 5 quarters following STEP training than in the 5 quarters before training. STEP participants' earnings increased by 10.6 percent after completing the program. During 2000, STEP exceeded four of six performance measures set for the program. (Twenty-two tables/figures are included. A glossary and tables listing occupations experiencing labor shortages and training provider costs are appended.) (MN)

State Training & Employment Program **Program Review for FY99 - FY01**

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***S*ate *T*raining & *E*mployment *P*rogram**
Program Review for FY99 - FY01

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Alaska Department of Labor and Workforce Development,
Research & Analysis Section and the
Employment Security Division

In cooperation with
Alaska's Workforce Investment Office
and the respective Local Workforce Investment Boards

March 2002

For a copy of this or previous year's STEP reports, please contact the Alaska Department of Labor, Research and Analysis Section at (907) 465-4500.

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HIGHLIGHTS

The State Training and Employment Program (STEP) served 1,568 clients in FY01. New enrollment was up 20.3 percent and less than half of the clients from the prior year continued services. Total expenditures for FY01 were \$2.78 million, up slightly from \$2.56 million in FY00. Costs per active client have risen recently. Between FY95 and FY99, average expenditure per client fell from \$1,981 to \$1,539. For FY00 that number rose to \$1,602 and for FY01 grew further to \$1,776 per client.

Clients exiting the STEP program in FY00 have had the opportunity to file for unemployment and achieved the following results:

- FY00 STEP clients filed 43.6 percent fewer UI claims and collected 67.4 percent less in benefits in the 5 quarters following STEP training compared to the 5 quarters prior to training. In the 15 months before entering STEP, these clients filed 1,034 claims and collected nearly \$3.14 million in UI benefits. In the 15 months after completing STEP, only 583 claims were filed with a total compensation of \$1.11 million. The difference in pre- and post-STEP UI payments results in a payback period of 1.6 years.
- The total earnings of clients working after training increased by 10.6 percent compared to their pre-STEP earnings even as the number working after training decreased. Seventy-five percent of clients who completed STEP in FY00 worked in the year prior to STEP (1,193) and earned \$21.26 million. Slightly fewer clients (1,163) worked in the year after training but earned more, \$23.52 million.

For FY00, STEP exceeded four out of six measures of performance set by the Alaska Human Resource Investment Council (AHRIC) in 1996.

Measures of Performance for STEP	FY00	
	Goal	Actual
Percent reduction in new UI claims	40 %	43.6 %
Percent reduction in exhausted UI claims	20	67.4
Percent of clients who obtain employment in new jobs	10	28.8
Percent of clients with occupational training who obtain employment in a related field	50	52.7
Percent of clients with occupational training in a shortage occupation *	25	1.1
Percent of clients severely affected by fluctuations in the state's economy or technological changes **	20	13.7

*Note: The percent of clients with training in a shortage occupation fell short of its goal by 24 percent but this may be due to coding or definitional problems as less than 20 percent of participants responded in this area.

** Note: The percent of clients served who were severely affected by fluctuations in the economy was almost 7 percent lower than desired. This may be due to errors by participants in completing the application form or difficulty knowing if joblessness is due to economic conditions.

Almost nine out of ten clients who left STEP in FY00 did so under positive circumstances. Twenty nine percent entered newly created jobs while nearly nineteen percent entered vacated jobs. One in seven clients received training to protect against economic changes.

In FY01, 52 percent of the program's applicants were eligible to participate because they were drawing unemployment insurance (UI) benefits, while an additional 8 percent were unemployed but had exhausted their benefits. Seventeen percent of clients eligible for STEP were not currently UI eligible due to part-time employment, insufficient wages, or underemployment. The remaining clients were employed when they entered STEP but faced job losses, needed new skills, or did not have data available.

More than half of the clients enrolling in STEP said that being currently unemployed was the reason for enrollment. Clients lacking opportunity and job skills accounted for another 30 percent of participants.

For clients who were not UI claimants or who had exhausted their UI benefits at enrollment, both the number employed and the amount of earnings after STEP completion increased.

INTRODUCTION

This document is the latest in a series of reports prepared by the Alaska Department of Labor and Workforce Development reviewing the performance of the State Training and Employment Program (STEP). The purpose of the program is to reduce the current and future claims against unemployment benefits, foster new jobs, and increase training opportunities to the state's workers to protect against fluctuations in the economy and to prepare for technological changes in the workplace. STEP is administered by the Department of Labor and Workforce Development and funded by one-tenth of one percent of employee contributions to the Unemployment Insurance (UI) Trust Fund. This year's report focuses on results of clients who exited the program in Fiscal Year 2000 (FY00) which ended June 30, 2000 and provides information on Fiscal Year 2001 (FY01) program participants.

OVERVIEW

The primary purpose of the program is to reduce current and future claims against UI benefits by training those who are unemployed or who face unemployment. The program is also charged with fostering growth of existing business and attracting new businesses to the state through development of a skilled workforce and lower employer Unemployment Insurance (UI) costs. In addition, STEP is charged with promoting local hire and easing the impacts of Alaska's economic fluctuations through training or retraining for new or emerging industries and technologies.

THE OBJECTIVES OF STEP

STEP is targeted to serve individuals who are currently receiving or have exhausted their UI benefits, who lack employable skills, or whose skills have been outdated by technological change. Women, minorities, parents paying court-ordered child support, and those who have difficulty finding jobs will be among the individuals served. Services to participants may include career assessment and vocational counseling; classroom, customized, or on-the-job training; supportive services; and relocation or other job-related assistance that is necessary to obtain or retain employment. STEP has three objectives as outlined in its original legislative language (8 AAC 87.020):

1. Reduce current and future claims against unemployment benefits.
2. Foster new jobs due to the availability of a skilled labor force.
3. Increase training opportunities to the state's workers to protect against fluctuations in the economy and to prepare for technological change in the workplace.

In August 1996, the Alaska Human Resource Investment Council (AHRIC) and the departments of Labor and Community & Regional Affairs adopted measures to determine STEP's success in meeting these goals. The measures used to evaluate the program's performance are as follows:

- New claims for UI benefits filed by individuals completing STEP will decrease by 40 percent during the five calendar quarters following their exit from STEP compared to the five calendar quarters immediately prior to participation.
- Twenty percent of the STEP participants who are claiming UI benefits when they begin participation will claim less than the Maximum Benefit Amount available on their UI claim.
- Ten percent of the STEP participants will obtain jobs that did not exist in the calendar quarter preceding their STEP participation.
- Fifty percent of the STEP participants receiving occupational training will obtain employment in the occupation in which they trained or in a closely related occupation.

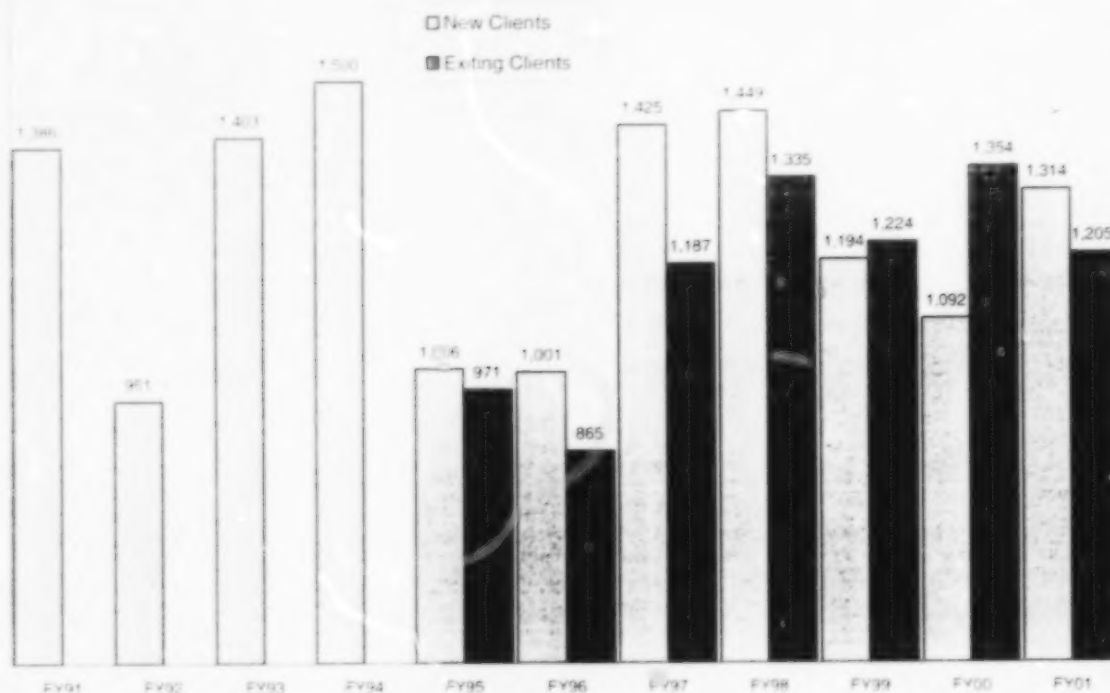
¹The goals of any program, and therefore the appropriate measures of success, can shift over time. Applying current performance measures to prior years' results may not accurately reflect the actual performance of the program, nor serve as an accurate predictor of future performance. The STEP program was initially instituted in 1990 and the performance measures most recent update was 1996.

- At least 25 percent of the STEP participants who receive occupational training will receive their training in 'shortage occupations'.²
- At least 20 percent of STEP participants who completed the program will have been severely affected by fluctuations in the state's economy or technological changes in the workplace.

HISTORY

STEP began serving clients in the latter half of FY90. The delayed start of the program meant only 138 clients received assistance that year. Since then, the annual number of new clients has varied from under a thousand to 1,500. (See Figure 1.) Only 361 clients enrolled multiple times in FY01. In the most recent fiscal year, FY01, STEP enrolled 1,314 new clients, had 254 clients enrolled in a prior fiscal year continue their STEP training, and there were 1,205 clients exiting the program.

Figure 1
New STEP Clients and Exiting Clients by Fiscal Year



² A shortage occupation is one in which there is an insufficient supply of trained resident workers to meet the demand. These occupations have a large share of non-Alaskans employed.

ORGANIZATIONAL STRUCTURE

Oversight of STEP is centered at AHRIC, while the general management of the program is the responsibility of the Workforce Investment Office (WIO) within the Department of Labor and Workforce Development³. The WIO previously coordinated with three local Workforce Investment Boards (local WIBs): Fairbanks, Anchorage/Matanuska-Susitna, and Balance of State. A change in 2000 eliminated the Fairbanks local WIB and combined those clients with the Balance of State WIB.

The local WIBs provide services to clients directly and through contracting agencies or Private Industry Councils. In addition, local WIBs manage training activities and set up working partnerships to promote STEP activities. To broaden STEP's outreach programs and increase its training resources, the local WIBs often enter cooperative agreements with other agencies and associations to provide services. These include public and private post-secondary educational institutions, private for-profit and not-for-profit businesses, union apprenticeship and training trusts, tribal organizations, and economic development agencies. Contracting services to outside agencies reduces program costs while helping STEP reach more clients.

³ The WIO was formerly known as the Job Training Partnership Office. In 1999, the office was moved from the Department of Community and Regional Affairs to the Department of Labor and Workforce Development.

METHODOLOGY

Information available for STEP clients includes social security numbers, contact information, demographic characteristics, dates of enrollment and completion, types of training, and employer data for those clients obtaining employment as a result of their STEP training. The following describes the sources and limitations of the data elements used in this analysis.

SOURCE OF THE DATA

The Workforce Investment Office (WIO) provides information on STEP client's characteristics and program expenditures. Participant records are matched with the Department of Labor and Workforce Development's unemployment insurance (UI) wage database to determine each client's employment and earnings history. Unemployment compensation records provide client information concerning UI usage before and after STEP. Other administration records are matched to provide residency and other employment indicators.

LIMITS OF THE DATA

STEP clients can enroll multiple times in a fiscal year. In calculating the number of participants and terminated clients, each social security number is counted only once in a fiscal year. Individuals who exit STEP in one fiscal year, then re-enroll in the next fiscal year, are counted as a participant in each year. Participants who exit the program are counted in the fiscal year in which they complete STEP. The activity records mentioned in this report contain information on clients who participate in multiple training activities.

The most current group with wage data available for before and after performance comparisons is limited to clients who exited the program in FY00. Post-program performance measures of UI for FY00 are preliminary. Two years must pass after STEP completion before a final measure of UI payments can be calculated. Wage data will be available for FY01 clients at the end of FY02.

Wage data are available only for Alaska workers covered by UI, such as those working for private employers or state and local government. Federal employees and the self-employed are not included. Additionally, only clients who remain in Alaska after completing the program will have wage information available. For this reason, results for clients who enter or leave the state within one year of STEP participation cannot accurately be compared since they are not captured in Alaska employment and wages. Comparisons become even murkier when attempting to track clients beyond the one-year mark since they can again enter or leave the state, become self-employed, or change firms and occupations which then becomes an issue for occupation relatedness of training.

Unlike the wage database, UI claimant information does include data for Alaska federal workers and claims from states other than Alaska that file claims against Alaska unemployment.

STEP outcomes compare participants' employment history in the year before enrollment to the year after program completion. For clients who enroll in STEP more than once in a fiscal year, the earliest enrollment date is used for pre-STEP calculations. Similarly, if a client exits STEP more than once in the fiscal year, post-STEP comparisons use the client's final termination date.

CHARACTERISTICS OF CLIENTS

LEVEL OF ACTIVITY BY SERVICE DELIVERY AREA

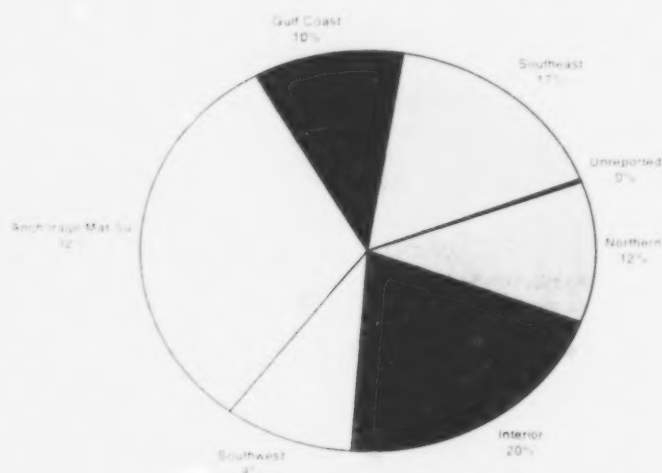
Table 1 shows that the Balance of State WIB enrolled the largest number of clients in each of the four years reviewed.⁴ Beginning in FY00, clients in the Balance of State WIB include what was formerly known as the Fairbanks Service Delivery Area. The number of new clients increased in FY01, up 20.3% overall from FY00. Total participants remained about the same due to a decrease in the number of clients continuing training from prior years.

Table 1
Clients by Local Workforce Investment Board

Service Delivery Area	New Clients				Continuing Clients				Total			
	FY98	FY99	FY00	FY01	FY98	FY99	FY00	FY01	FY98	FY99	FY00	FY01
Balance of State	938	779	725	992	287	348	348	150	1,420	1,275	1,073	1,142
Anchorage/Mat-Su	511	415	367	322	146	89	160	104	657	504	527	426
Total	1,449	1,194	1,092	1,314	433	437	508	254	1,882	1,779	1,600	1,568

Note: Service Delivery Areas prior to FY01 included a separate classification for Fairbanks. Due to a change in data collection, Fairbanks totals are now included in the Balance of State total.

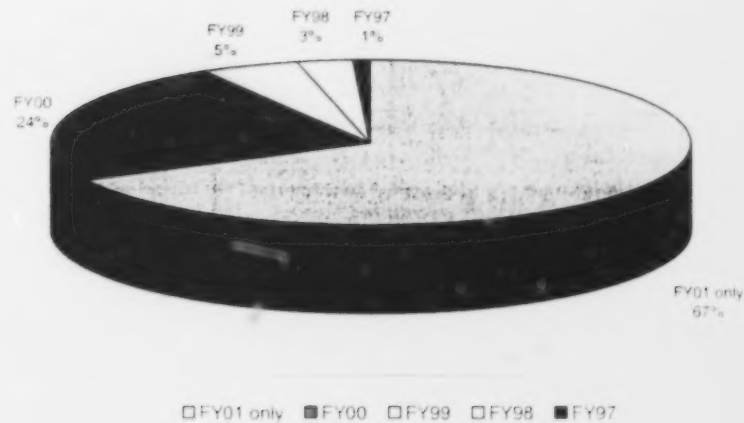
Figure 2
STEP Clients by Region - FY01



STEP serves clients in all regions of the state although more clients are located in the Anchorage/Mat-Su area. Figure 2 shows the distribution of clients by region of the state for FY01.

⁴ STEP clients can enroll in the program multiple times within a fiscal year. In calculating the number of participants, each person is counted only once in a fiscal year. If a client exits the program in one fiscal year, then re-enrolls in the next fiscal year, the client is counted in both of those years.

Figure 3
Clients in FY01 also Enrolled in a Prior Year



Thirty three percent of the clients enrolled in FY01 were also enrolled in a previous fiscal year. Figure 3 shows the percent of FY01 clients enrolled in previous fiscal years from 1997 to 2000.

ELIGIBILITY CRITERIA

STEP clients must meet certain criteria reflecting their labor force status to be admitted into the program. Most STEP applicants are eligible for the program because they are unemployed. (See Table 2.) This was true for 940 clients in FY01. Of those, 87 percent were receiving UI benefits at the time they enrolled while the balance had exhausted their UI benefits. Seventeen percent of participants in FY01 were not eligible for UI benefits due mainly to seasonal, temporary, part-time, or marginal employment.

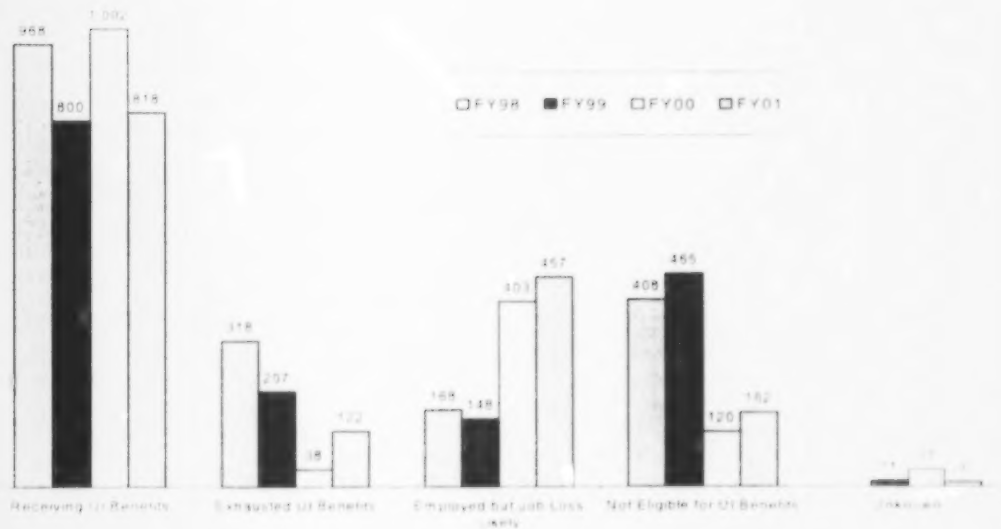
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Table 2
Clients by Eligibility Criteria

	FY98	FY99	FY00	FY01
Total All Participants	1,882	1,631	1,600	1,568
Unemployed	1,286	1,007	1,040	940
Receiving UI benefits	968	800	1,002	818
Exhausted UI benefits	318	207	38	122
Employed but job loss likely	168	148	403	457
Reduction in the number of workers at place of employment	30	25	3	9
Elimination of job	77	65	15	11
Change in required job skills	61	58	385	437
Not currently eligible for UI benefits	408	465	120	162
Seasonal, temporary, part-time, or marginal employment	256	270	71	100
Insufficient wage contributions due to limited opportunity	102	106	42	44
Underemployed	50	89	7	18
Unknown or Not Applicable	20	11	37	9

FY01 saw a decline in the number of eligible participants receiving UI benefits from FY00. This level is much closer to the levels achieved in FY99. The number of STEP clients who exhausted their UI benefits increased in FY01 from FY00 but is still much lower than the levels realized in FY98 and FY99. The number of clients not eligible for UI benefits rose slightly from FY00 levels but is only 35 percent of the number of clients not eligible in FY99. (See Figure 4.)

Figure 4
Clients by Eligibility Criteria



REASONS FOR SEEKING STEP TRAINING

While a person's unemployment status is the basis for determining eligibility, there are additional reasons why an individual seeks training through STEP. During the enrollment process, the client has an opportunity to select from a list of characteristics describing themselves and their reasons for applying to STEP. These characteristics, such as receiving welfare, having a disability, or lacking skills to obtain suitable employment, are disadvantages that can be viewed as barriers to employment.

Clients enrolling in STEP may select more than one reason for enrolling. The majority of clients for FY01 reported being currently unemployed as one reason for enrolling in STEP. Other frequent responses included age 45 and older, lack of skills, and annual earnings less than the median income. (See Table 3.)

Table 3
Clients by Barrier to Employment

	FY99		FY00		FY01	
	Clients	%	Clients	%	Clients	%
Total number of clients	1,631	100.0	1,600	100.0	1,568	100.0
No available jobs for skills	383	23.5				
Area has limited suitable employment	616	37.8				
Physical or mental disability	92	5.6	46	2.9	42	2.7
Age 45 and older	291	17.8	356	22.3	435	27.7
Household receives welfare (ATA or TANF)	203	12.4	215	13.4	123	7.8
More than 13 weeks receiving UI	299	18.3				
Long-term unemployment due to lack of opportunity or limited skills	734	45.0				
Current UI claimant	661	40.5	744	46.5	751	47.9
Enrolled in the AFDC-UP program	65	4.0				
Paying court-ordered child support	99	6.1	93	5.8	91	5.8
Lack skills to obtain employment	731	44.8	835	52.2	833	53.1
Not working or face job loss due to changes in the economy or technical changes in the workplace	302	18.5	219	13.7	268	17.1
Currently unemployed	1,047	64.2	1,315	82.2	1,375	87.7
Referred as a UI profile client	140	8.6	185	11.6	149	9.5
Annual Earnings less than median income (\$33,032)			546	34.1	920	58.7

Note: Clients may select more than one response on their enrollment form.
The enrollment form changed for FY01 so not all categories from previous years are listed and some new categories have been included.

THE COST OF PROVIDING SERVICES

Funding for STEP comes from employees' contributions to the UI Trust Fund, of which one-tenth of one percent is available to fund STEP programs. The investment in additional employment training and skills enhancement is intended to reduce participants' future reliance on the unemployment insurance system. The program is also charged with fostering growth of existing businesses and attracting new business to the state by developing a skilled workforce and lowering employer UI costs.

Expenditures for STEP in FY99 and FY00 totaled \$2.51 million and \$2.56 million, respectively. For FY01, \$2.78 million was spent. (See Table 4.) Monies not spent in any given year may be added back to the program funds for allocation in a following year. This year's report reflects changes made in previous year's expenditures. Of the \$2.78 million spent in FY01, \$1.46 million was spent directly on training. Reductions in UI payments after STEP training for FY99 and FY00 totaled \$1.529 million and \$2.029 million respectively. Insufficient time has elapsed for an examination of the UI filings for FY01 clients.

Table 4
STEP Expenditures by Fiscal Year

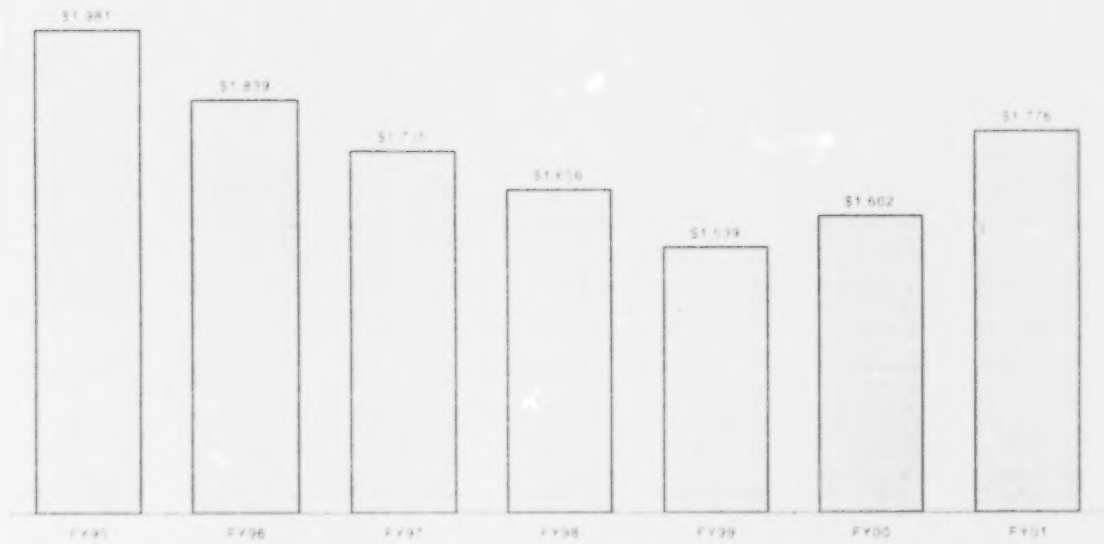
	FY98	FY99	FY00	FY01
Total Expenditures (millions \$)	\$3.12	\$2.51	\$2.56	\$2.78
Training Expenditures Only (millions \$)	N/A	N/A	\$1.59	\$1.46
Total Clients Served	1,882	1,779	1,600	1,568
Average Cost Per Client	\$1,656	\$1,411	\$1,602	\$1,776
Average Training Cost Per Client	N/A	N/A	\$993	\$931
UI Payments 15 Months prior to training	\$2,880,268	\$2,747,539	\$3,143,361	
UI Payments 15 Months post training	\$1,252,674	\$1,217,872	\$1,114,328	
Reduction in UI Payments	\$1,627,594	\$1,529,667	\$2,029,033	N/A
Percentage of Total Expenditures Recovered in One Year	52.2%	60.9%	79.1%	N/A
Years Required for Full Payback	2.4	2.1	1.6	N/A

Notes: Training Expenditure Only data was unavailable for FY98 and FY99. UI data for FY00 are preliminary as some clients have had insufficient time after STEP to collect complete UI benefits. FY01 UI payments are excluded for the same reason.

Expenditures for STEP are recovered by the reduction in STEP clients' future dependence on unemployment insurance. If the skills acquired by STEP participants remain with them for many years and keep them off the unemployment insurance registers, then based on FY00 data, the UI fund is fully reimbursed in less than two years. (See Table 4.)

As shown in Figure 5, average expenditures per STEP client declined between FY95 and FY99. In the last two years, however, average expenditures have risen again.

Figure 5
Average STEP Expenditures per Client



Expenditures by training provider vary. For participants exiting in FY00, the least amount paid to a training provider was \$20.00 while the highest amount paid to a single training provider was \$127,628.14. Almost 40 percent of participants attended multiple training sessions with a single training provider. For a complete list of training provider support amounts and number of participants, see Appendix C – Training Provider Costs. The number of participants served by training providers also varied widely with a low of one and a high of 231, the average being eleven participants served. Of the 1,851 training activities provided to exiters in FY00, 482 had no provider information.

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MEASURES OF THE PROGRAM'S SUCCESS

REDUCING FUTURE CLAIMS AGAINST UNEMPLOYMENT INSURANCE

One of the stated goals of STEP is a 40 percent reduction in future claims against unemployment benefits. This is measured by comparing the level of UI activity in the 15 months preceding training to the 15 months following termination from STEP. For this reason, only clients who exited the program during FY00, the most recent year for which data are available⁵, are included in the analysis. Significant drops in this measure were apparent. (See Table 5.)

Table 5
UI Activity of Terminated Clients

	15 Months Before			15 Months After			Percent Change		
	FY98	FY99	FY00	FY98	FY99	FY00	FY98	FY99	FY00
All Terminated Clients	1,335	1,224	1,354	1,335	1,224	1,354	Not Applicable		
Claims	979	893	1,034	539	529	583	-44.9	-40.8	-43.6
Number of Claimants	858	805	891	506	503	544	-41.0	-37.5	-38.9
Percent of Clients	63.7	65.8	65.8	37.9	41.1	40.2	-40.5	-37.5	-38.9
Total Benefits Paid (in thousands)	\$2,880.3	\$2,747.5	\$3,143.4	\$1,252.7	\$1,217.9	\$1,114.3	-56.5	-55.7	-64.5
Total Weeks Claimed	18,781	16,925	19,157	8,627	8,182	7,493	-54.1	-51.7	-60.9
Exhausted Claims*	346	301	322	158	151	105	-54.3	-49.8	-67.4
Number of Claimants	330	293	305	152	147	105	-53.9	-49.8	-65.6
Percent of Claimants	34.2	37.4	36.1	31.2	30.0	19.3	-8.7	-19.7	-46.6
Total Benefits Paid (in thousands)	\$1,232.1	\$1,136.4	\$1,242.1	\$512.9	\$483.3	\$323.6	-58.4	-57.5	-73.9
Total Weeks Claimed	8,120	7,121	7,638	3,394	3,344	2,202	-58.2	-53.0	-71.2
Early Intervention Claims**	247	240	294	102	98	123	-58.7	-59.2	-58.2
Number of Claimants	201	196	233	97	97	121	-51.7	-50.5	-48.1
Percent Exhausted Claims	26.7	26.7	24.5	27.5	24.4	13.0	2.7	-8.5	-46.9
Total Benefits Paid (in thousands)	\$641.9	\$671.0	\$796.2	\$274.9	\$237.9	\$254.9	-57.2	-64.6	-68.0
Total Weeks Claimed	4,220	4,157	4,802	1,647	1,480	1,560	-61.0	-64.4	-67.5

Note: Two years must pass after STEP completion before a final measure of UI payments can be calculated. Since claimants have one full calendar year to draw on a claim, numbers may not include complete data for clients who filed a claim toward the end of the fiscal year being evaluated. For this reason, data for FY00 post-STEP UI payments are preliminary.

*Claims which have collected the Maximum Benefit Amount and are no longer eligible for UI payments.

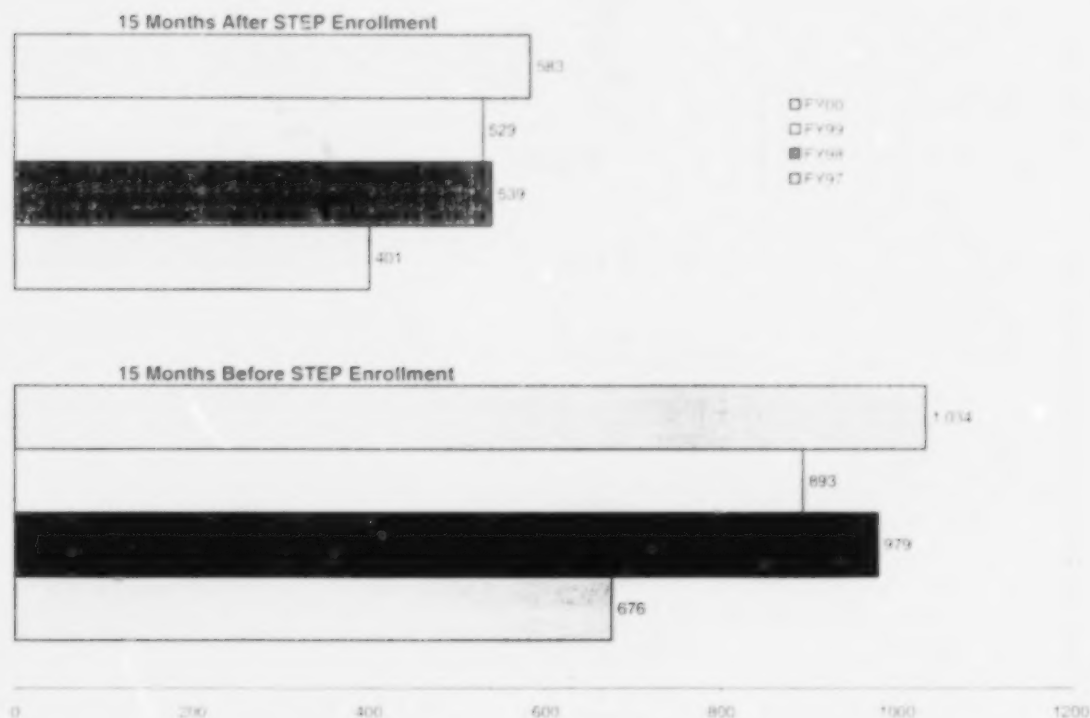
**Claims filed five weeks before or 10 days after enrolling in STEP.

⁵ Two years must pass after STEP completion before a final measure of UI payments can be calculated. Since claimants have one full calendar year to draw on a claim, numbers may not include complete data for clients who filed a claim toward the end of the fiscal year being evaluated. For this reason, data for FY00 post-STEP UI payments are preliminary and data for FY01 participants is not yet available.

Total benefits paid for all claimants were reduced almost 65 percent and total benefits paid for those who previously exhausted their claims realized the most dramatic reduction at almost 74 percent. Reductions in claims of STEP clients against the UI Trust Fund have consistently improved over the last three years.

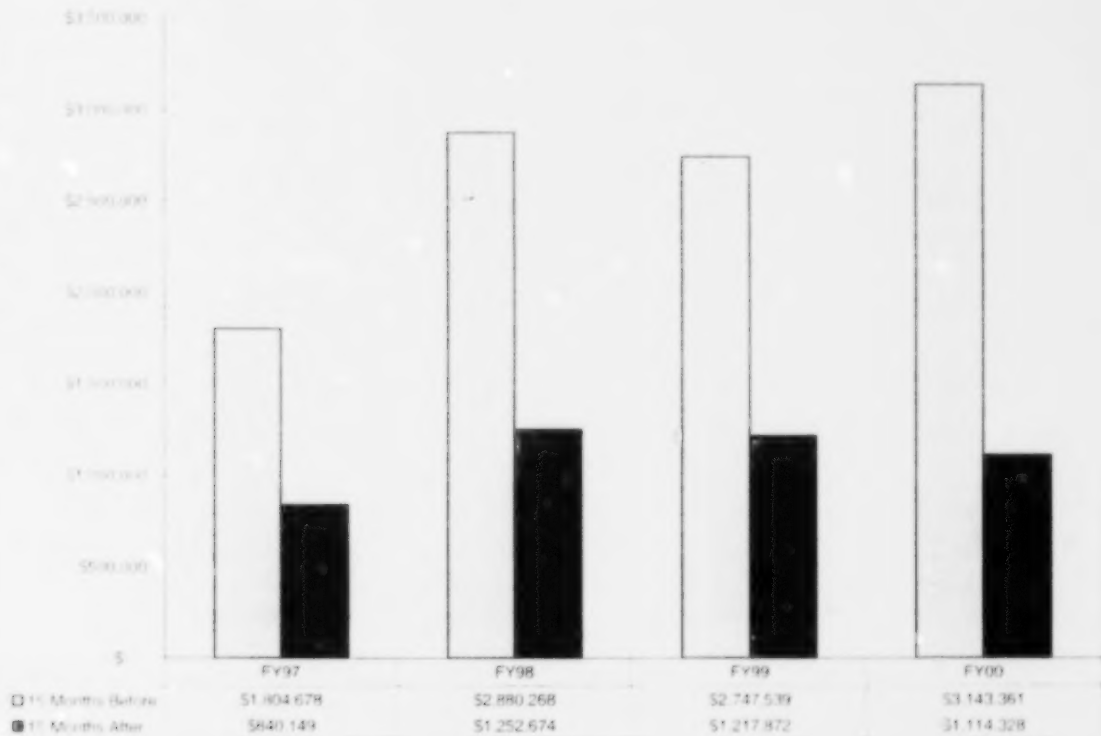
In its goal to reduce current and future claims against unemployment benefits, the STEP program is charged with decreasing the new claims filed against UI by 40 percent during the five calendar quarters following exit from the program when compared with the five calendar quarters immediately prior to participation. UI claims for FY00 participants fell from 1,034 claims in the 15 months prior to their participation to 583 claims in the year after they completed STEP, a reduction of 43.6 percent. (See Figure 6.)

Figure 6
Number UI Claims Filed by Terminated Clients



A drop in the number of UI claims filed and the amount of time STEP clients were drawing UI benefits resulted in a significant reduction in costs to the UI Trust Fund. As shown in Figure 7, benefits paid out of the fund for post-STEP clients in FY00 dropped by \$2.03 million or 65 percent.

Figure 7
UI Benefits Paid to Terminated Clients



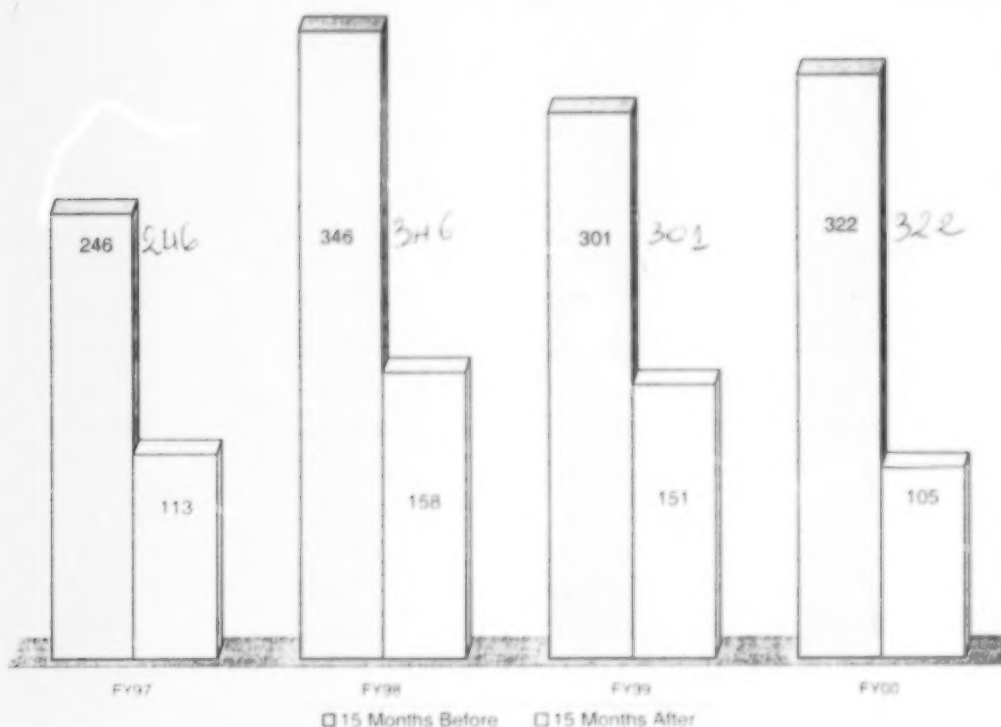
Reducing the Number of Exhausted Claims

Another goal of STEP is to reduce the percentage of clients depleting their unemployment insurance benefits. An individual collecting the Maximum Benefit Amount available on their claim becomes ineligible for additional UI payments, thereby exhausting their claim. It is hoped that clients who enter STEP within a short time after filing for UI have a better chance of gaining employment before exhausting their benefits.

For FY00, the number of claims exhausted fell from 322 before STEP participation to 105 for post-STEP participants, a drop of 67 percent. (See Figure 8.) In the 15 months prior to STEP participation, 30 percent of the FY00 client UI claims were exhausted, compared to 18 percent in the year after. (This is preliminary data as not all FY00 clients have yet had an opportunity to exhaust their claims.) The exhaustion rate for STEP clients was less than that of the 39 percent rate for all UI claimants in 2000. This performance represents an achievement as STEP clients do not portray a random sample of the population and most face significant barriers to gaining employment. The passage of time may erode this improvement. For example, a revised FY99 exhaustion rate suggests that STEP clients exhausted their claims at

a higher rate than all claimants: 50 percent for STEP clients compared to 42 percent for all UI claimants.

Figure 8
Exhausted Claims of Terminated Clients



Early Intervention to Prevent Exhausted Claims

Those persons referred to STEP within 5 weeks of their initial UI claim or who filed for UI within 10 days of entering STEP have the greatest potential to reduce the probability they will exhaust their benefits. Seventeen percent (233 clients) of FY00 terminees filed for UI within this narrow time frame. Of these, 72 exhausted their benefits prior to STEP participation, an exhaustion rate of 24.5 percent. The exhaustion rate for the 15 months following STEP was lower, 13 percent. This is lower than for all STEP clients and for that for all claimants statewide (18% and 39% respectively).

Longer Term Results

The number of exhausted claims and the benefits paid from UI in the 15 months after STEP participation seems to indicate that the training provided does aid workers in attaining skills in order to gain employment. This raises the question, however, of whether this training holds for the longer term. Alaska's UI records do not track STEP participants who leave the state, work elsewhere, and then collect unemployment based on their work in another state. Typically, most of these workers do in fact remain in the state and we can examine UI records for longer terms to determine the effectiveness of the program. Based on 2001 Permanent Fund Dividend records, 87.6 percent of the exiters were residents of the state in 2001 and FY99 and FY00 had 89.1 and 93.5 percent residents respectively.

Table 7 examines UI records from January 1993 through October 2001 for FY99 and FY00 participants who exited the program. There were 1,224 exiters in FY99 and 1,354 exiters in FY00.

Table 6
Number of Times STEP Participants File UI Claims
From January 1993 through October 2001

	<u>FY98 Exiters</u>	<u>FY99 Exiters</u>	<u>FY00 Exiters</u>
<i>Number of claims filed by STEP participants</i>			
one claim	2,993	2,858	3,049
two claims	951	782	857
three claims	47	30	37
four claims	0	0	1
Total	3,991	3,670	3,944

Table 6 records the number of times these individuals have filed claims against UI. Most of the participants have filed only one claim. More than 22 percent of these individuals, however, have filed multiple claims against their Alaska UI in the years from 1993 through 2001.

The next table provides the telling information for the years following STEP. The number of claims and the total benefits paid to participants exiting STEP are significantly reduced in the three years following STEP compared to the prior three years.

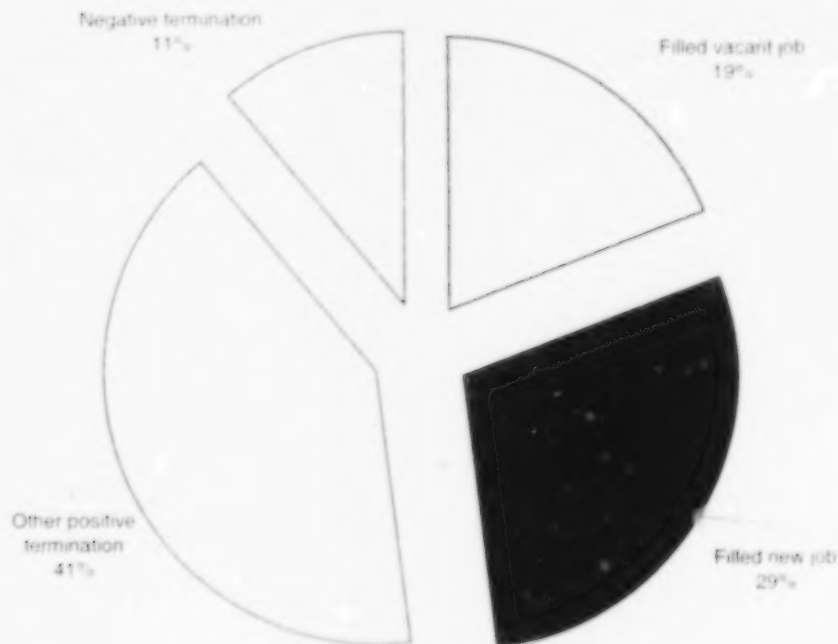
Table 7
UI Claims Results over the Longer Term

	<u>FY98</u>	<u>Total Benefits</u>	<u>FY99</u>	<u>Total Benefits</u>
<i>Number of claims filed and benefits paid</i>	<u>Exiters</u>	<u>Paid</u>	<u>Exiters</u>	<u>Paid</u>
<i>Prior to STEP participation</i>				
Three years prior to STEP	402	1,070,708	395	1,010,095
Two years prior to STEP	505	1,475,034	512	1,664,572
One year prior to STEP	789	2,110,960	731	1,900,596
Total	1,696	\$ 4,656,702	1,638	\$ 4,575,263
<i>After STEP participation</i>				
In the year following STEP	454	1,072,502	448	1,027,013
Two years following STEP	432	1,109,870	403	883,645
Three years following STEP	406	899,282	178	292,484
Total	1,302	\$ 3,081,654	1,029	\$ 2,203,142
<i>Comparison of 3 years prior to STEP to 3 years after STEP</i>				
Reductions in Claims and Benefits	394	\$ 1,575,048	609	\$ 2,372,121

PROVIDING SKILLED WORKERS AND LOWERING UI COSTS TO ATTRACT NEW BUSINESSES

Another goal of STEP is "fostering growth of existing businesses and attracting new businesses to the state through development of a skilled workforce and lower employer UI costs. ". In FY00, 390 participants successfully completed the program (as defined by STEP objectives) and entered a newly created job.⁶ The percentage of clients leaving STEP for a new job is slightly less than FY99, but at 29 percent is well above the stated goal of 10 percent. (See Figure 9.)

Figure 9
Terminated Clients Entering Employment, FY00



⁶ A newly created job is one which did not exist in the calendar quarter preceding STEP participation. This data element is obtained by asking the participant upon termination if they are entering a new job including a new position with the same employer.

Occupational Training Results in Employment

Occupational training accounted for 20 percent of all activities in FY00. The occupation in which training was received was reported for only 89 of the 471 clients (19.0%). (See Table 8.) The low reporting of this data element should be noted and the results of occupational skills training should not be taken seriously. The following table is provided here because of the performance measures established by AHRIC. This data is not sufficient to definitively show that the program met the goals, though it is encouraging.

Table 8
Occupation Skills Training, FY00 Terminatees

Occupational Group	Number of Clients	Employed		Employed in a Related Field	
		Clients	%	Clients	%
Administrative Support	42	16	38.1	5	11.9
Construction & Related	3	3	100.0	1	33.3
Health Services	20	7	35.0	5	25.0
Professional & Technical	4	3	75.0	0	0.0
Repair & Maintenance	1	1	0.0	1	0.0
Transportation Related	6	4	66.7	1	16.7
Miscellaneous	13	5	38.5	2	15.4
All Known Occupations	89	39	43.8	15	16.9
Unknown	335	315	94.0	40	11.9
Total	471	354	75.2	55	11.7

Resident Employment increased through Occupational Training

The STEP performance measures approved in August 1996 placed new emphasis on meeting specific needs in Alaska's economy. One of the goals is to increase the number of residents employed in occupations with a shortage of resident workers. To this end, a target was set to train 25 percent of the clients receiving occupational training through STEP in shortage occupations. A list of the Department of Labor and Workforce Development's shortage occupations can be found in Appendix B.

Of the 579 clients claiming to have received occupational training, only five clients claimed to have received training in a shortage occupation for FY00. The goal for percent of clients receiving training in a shortage occupation is 25 percent. A change in the data collection methodology for FY00 may explain this low result.

HELPING WORKERS ADAPT TO TECHNOLOGICAL OR ECONOMIC CHANGE

Training to protect workers from job loss because they lack specific skills is one of the legislative objectives noted in the creation of STEP. The August 1996 performance measures set as a goal to "increase the training opportunities to those workers severely affected by fluctuations in the state economy or technological changes in the workplace".

This goal, in large part, measures STEP's ability to recruit from a targeted population. This explains why about one in three FY01 STEP clients was employed when entering the program. This compares to one in five participants for FY00 and one in 10 participants in FY99.

Of FY99 participants who successfully completed the program, 18.5 percent received training to protect against economic changes. For FY00, the percentage declined to 13.7. However, the percentage rose again to 17.1 percent for FY01 participants.

For FY00, STEP achieved a 13.7 percent rate of clients served who suffered from economic fluctuations, a 7 percent lower than desired result. The goal for the percent of clients served who were severely affected by fluctuations in the economy is 20 percent. The most likely reason for this result is that clients do not mark the appropriate box on the application form or have difficulty knowing if their joblessness is due to economic conditions. A similar question about lack of skills has a response rate of over 50 percent.

WAGE RECOVERY OF CLIENTS AFTER STEP PARTICIPATION

Another measure of STEP's success is wage recovery, or the ability of STEP clients who finish the program to earn wages comparable to or higher than those they earned before entering STEP. Often, clients entering the program have been displaced from long-term jobs that provided relatively stable incomes. It is difficult to find a job requiring similar skills at the same level of pay with a different employer and, therefore, it is reasonable to expect their average incomes to decline. It is notable that FY00 clients earned 10.6 percent more in the year after STEP compared with the year before STEP training. Employed clients numbered 1,193 prior to STEP and only 1,163 were employed after STEP. Individuals who leave the state after STEP cannot currently be tracked for employment and wages and may explain this result. (See Table 9.)

Table 9
Wages of Terminated Clients by STEP Characteristic, FY00
Four Quarters Before and After STEP Training

	Number of Clients	Number Employed		Earnings		% Change in Earnings
		Before	After	Before	After	
All Terminated Clients	1,354	1,193	1,163	\$21,268,548	\$23,520,754	10.6
By UI Eligibility at First Enrollment						
<u>Unemployed</u>						
Exhausted UI benefits	34	28	26	492,776	430,938	-12.5
Receiving UI benefits	830	771	709	15,235,312	15,626,052	2.6
Total Unemployed	864	799	735	15,728,088	16,056,990	2.1
<u>Employed but job loss likely</u>						
Change in required job skills	346	280	305	3,612,246	5,275,666	46.0
Reduction in the number of workers at place of employment	3	2	2	*	*	*
Elimination of job	10	10	9	356,164	230,103	-35.4
Total Employed	359	292	316	3,968,410	5,505,769	38.7
<u>Not currently eligible for UI benefits</u>						
Insufficient wage contributions due to limited opportunity	61	49	56	551,945	878,618	59.2
Seasonal, temporary, part-time, or marginal employment	38	20	30	79,933	246,840	208.8
Underemployed	4	4	4	*	*	*
Total Not eligible for UI	103	73	90	631,878	1,125,458	78.1
Unknown or Not Applicable	28	27	15	811,533	325,335	-59.9
By Last Activity						
Customized Training	8	7	7	138,085	123,367	-10.7
Occupation Skills Training	256	225	214	3,831,024	3,778,336	-1.4
On-the-job Training (OJT)	2	1	2	*	*	*
Case Management	103	93	85	1,655,464	1,455,248	-12.1
Objective Assessment	15	12	13	213,388	191,480	-10.3
Out-of-area Job Search/Placement	5	5	1	*	*	*
Relocation Assistance	6	5	4	*	*	*
Supportive Services	44	39	35	752,598	731,285	-2.8
Local Job Search/Placement Assistance	13	11	9	196,331	229,842	17.1
Staff Assisted Job Development	5	5	5	120,093	90,244	-24.9
Planned Inactivity/Holding	9	9	6	196,255	110,043	*
Basic Skills	4	3	2	*	*	*
Employment Assistance	434	369	366	5,845,474	6,859,921	17.4
Industry Specific Training	429	387	394	7,365,554	8,895,845	20.8
Job/Career Counseling	11	11	5	294,481	162,697	-44.8
Other Employment Skills	1	1	0	*	*	*
Provide Equipment, Gear, Tools, Etc.	5	4	5	*	*	*
Vocational Exploration	4	4	3	*	*	*
By Service Delivery Area						
Anchorage Mat-Su	413	351	349	5,935,379	6,980,492	17.6
Statewide	941	840	807	15,318,837	16,186,976	5.7

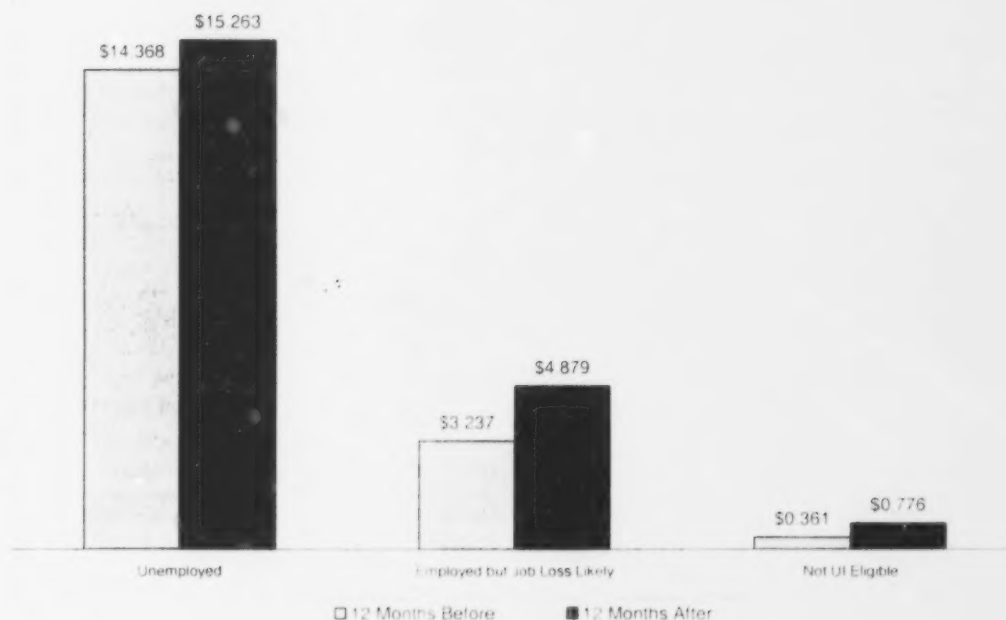
* Data is nondisclosable

Total wages earned for FY00 terminees increased by 10.6 percent after their participation in STEP, even as the number working declined. Clients who were not eligible for UI had the greatest percentage increase in wages after exiting STEP even though they had the lowest total numbers. (See Figure 10.) This is not surprising since the majority of those clients were employed in seasonal, part-time or temporary jobs prior to enrollment. Terminees who were unemployed and had exhausted their benefits earned 12.5 percent less in the four quarters after STEP while those receiving UI benefits earned slightly more (2.6%).

In terms of real workers, the Employed but Job Loss Likely classification had a total of an additional 24 clients employed post training while the Ineligible for UI benefits saw an increase of 17 individuals, and the Unemployed clients saw a decline of 64 individuals.

Activities with strong wage recovery measures were industry specific training (seven clients earned 28% more), employment assistance (3 clients earned 17% more) and local job search/placement assistance (3 less clients earned 17% more). Not all activities yielded an increase in wages in the first 12 months after STEP completion. Recovery of wages was the greatest in FY99 for clients whose last program activity was Work Tools, Clothing, and Gear. For FY00, however, wage recovery for that activity was minimal. Job Career Counseling and Staff Assisted Job Development also showed significant decreases in post-STEP earnings for FY00.⁷

Figure 10
Wages Before and After STEP by UI Status, FY00
(in millions of dollars)



⁷ Wages for clients accepting relocation assistance cannot be accurately measured after STEP completion if the clients leave the state since the UI wage database includes only those wages earned in Alaska.

Wage changes were not evenly distributed among Service Delivery Areas. Total wages earned for clients in the Anchorage/Mat-Su WIB region were 17.6 percent more in the four quarters after training than before STEP. This occurred even though there were two less clients employed in the four quarters after training. The Statewide Service Delivery Area showed positive wage recovery as well, increasing earnings by 5.7 percent. The Statewide Service Delivery Area however, had 33 fewer clients employed after training than before.

As shown in Table 10, the ability of clients to increase their wages after STEP varied depending on the age, race, or gender of the individual. The likelihood of recovering wages decreased with age. The youngest workers, aged 16 to 25, had the greatest increase in wages (almost 51 %) while those 45 years and older earned less after STEP.

Individuals may choose more than one race classification when enrolling for STEP if more than one race category applies. Those selecting African American, Alaska Native, American Indian, and Indian all saw increases in wages and number employed post-STEP. Earnings for Whites and Hispanics increased as well but the wages were earned by 39 and 1 fewer individuals, respectively. Asian and Hawaiian race categories saw reductions in earnings and number employed. The same number of females worked after training and earned 16.8 percent more. In contrast, 35 fewer males were employed post STEP and earned slightly more (5.5%).

Table 10
Wages of Terminated Clients by Demographic Characteristic, FY00
Four Quarters Before and After STEP Training

Demographic Characteristic	Number of Clients	Number Employed		Earnings		Change in Number Employed	% Change in Earnings
		Before	After	Before	After		
All Terminated Clients	1,354	1,193	1,163	\$21,268,548	\$23,520,754	(30)	10.6
By Age Group							
Under 25 years	237	206	208	2,222,676	3,358,346	2	51.1
25 to 34 years	369	331	324	5,947,234	6,482,094	(7)	9.0
35 to 44 years	458	401	388	7,466,421	8,448,834	(13)	13.2
45 to 54 years	234	205	194	4,694,988	4,130,844	(11)	-12.0
Over 54 years	56	42	48	922,897	747,351	6	-19.0
By Race*							
White	710	624	585	12,868,193	13,493,709	(39)	4.9
African American	63	50	55	533,779	883,312	5	65.5
Hispanic	41	38	37	629,477	676,720	(1)	7.5
Indian	522	464	468	6,933,045	7,967,775	4	14.9
Asian	33	30	25	509,939	403,712	(5)	-20.8
Hawaiian	33	30	25	509,939	403,712	(5)	-20.8
American Indian	518	460	464	6,835,439	7,830,975	4	14.6
Alaskan Native	522	464	468	6,933,045	7,967,775	4	14.9
By Gender							
Male	750	671	636	14,706,912	15,521,251	(35)	5.5
Female	604	520	520	6,547,304	7,646,217	0	16.8

*Note: Previous year's reports allowed claimants to choose only one race. Reporting of the race category changed so total claimants by race may exceed number of all claimants.

Clients in most areas of Alaska experienced increases in their wages during the 12 months after completing STEP. One notable exception is in the Ketchikan Gateway Borough where earnings dropped 50 percent and the Prince of Wales-Outer Ketchikan area where earnings dropped 22.6 percent. (See Table 11.) The closure of the Ketchikan Pulp Company (KPC) is still being felt in this region.

Other regions experiencing small decreases in the total wages post-STEP included the Municipality of Anchorage, Juneau Borough, Lake and Peninsula Borough, and Nome. Lake and Peninsula Borough was the only region experiencing a decline in total wages post-STEP while gaining two more workers. The other regions experiencing a decline in total wages also experienced a decline in workers.

The Matanuska-Susitna Borough experienced the greatest increase in number of clients employed post-STEP with a total of 19 additional workers and a 69.1% increase in total wages.

Wage recovery by industry met with varying degrees of success as well. Those clients employed in Mining, Construction, and Health Services industries fared the best in terms of change in number employed and percent change in earnings. Agriculture and Manufacturing lost 2 and 7 employees respectively and while the Services industry increased by the most workers (98), Business Services (a subset) lost five employees. The second shining star in this group was the Construction industry, which added 90 employees to its rolls as a result of STEP training. (See Table 12.)

Table 11
Wage Recovery of Terminated Clients by Place of Residence, FY00
Four Quarters Before and After STEP Training

Place of Residence	Number of Clients	Number Employed		Earnings		Change in Number Employed	% Change in Earnings
		Before	After	Before	After		
All Terminated Clients	1,354	1,193	1,163	\$21,268,548	\$23,520,754	(30)	10.6
Aleutians East Borough	1	1	1	*	*	0	*
Aleutians West	1	1	1	*	*	0	*
Municipality of Anchorage	266	243	221	4,534,141	4,509,634	(22)	-0.5
Bethel	45	43	43	594,169	676,428	0	13.8
Bristol Bay Borough	1	1	1	*	*	0	*
Denali Borough	2	2	2	*	*	0	*
Dillingham	26	19	24	187,981	308,246	5	64.0
Fairbanks North Star Borough	189	159	167	2,672,904	3,360,108	8	25.7
Haines Borough	12	10	10	166,560	168,758	0	1.3
Juneau Borough	76	66	62	1,161,159	1,135,000	(4)	-2.3
Kenai Peninsula Borough	89	78	76	1,409,088	1,920,662	(2)	36.3
Ketchikan Gateway Borough	78	77	50	2,214,803	1,106,968	(27)	-50.0
Kodiak Island Borough	35	32	32	1,139,156	1,386,381	0	21.7
Lake and Peninsula Borough	14	10	12	137,405	133,453	2	-2.9
Matanuska-Susitna Borough	139	101	120	1,255,067	2,122,474	19	69.1
Nome	125	107	102	1,747,105	1,721,182	(5)	-1.5
North Slope Borough	10	10	10	209,114	239,111	0	14.3
Northwest Arctic Borough	31	31	27	436,109	520,899	(4)	19.4
Prince of Wales-Outer Ketchikan	23	22	19	455,282	352,302	(3)	-22.6
Sitka Borough	27	24	26	412,520	554,690	2	34.5
Skagway-Hoonah-Angoon	5	4	5	*	*	1	*
Southeast Fairbanks	30	26	24	347,575	443,286	(2)	27.5
Valdez-Cordova	21	20	20	533,960	678,222	0	27.0
Wade Hampton	49	49	47	646,989	703,330	(2)	8.7
Wrangell-Petersburg	9	9	9	150,015	283,634	0	89.1
Yakutat Borough	1	1	1	*	*	0	*
Yukon-Koyukuk	47	43	43	711,666	747,394	0	5.0
Unknown	2	2	1	*	*	(1)	*

* Data is nondisclosable

Note: Place of residence is based on the zip code in the client's STEP application. Missing zip codes were obtained from Permanent Fund Dividend files where available.

Table 12
Wage Recovery of Terminated Clients by Industry Employed, FY00
Four Quarters Before and After STEP Training

Industry	Number Employed		Earnings		Change in Number Employed	% Change in Earnings
	Before	After	Before	After		
All Terminated Clients	1,193	1,163	\$21,268,548	\$23,520,754	(30)	10.6
Agricultural Services	4	2	*	*	(2)	*
Mining	32	65	1,163,747	2,521,977	33	116.7
Oil & Gas Extraction	29	50	1,107,940	2,141,484	21	93.3
Construction	159	249	4,874,383	7,736,897	90	58.7
Heavy Construction-Highway and Street Construction, Except Elevated Highways	36	86	1,484,724	3,260,647	50	119.6
Heavy Construction, Except Highway and Street Construction	28	40	698,258	1,251,255	12	79.2
Construction-Special Trade Contractors	65	87	1,780,971	2,356,904	22	32.3
Manufacturing	32	25	534,559	608,197	(7)	13.8
Food and Kindred Products	15	12	117,990	170,765	(3)	44.7
Lumber and Wood Products, except Furniture	10	6	274,096	293,100	(4)	6.9
Transportation, Communications, and Utilities	46	62	1,020,241	1,650,762	16	61.8
Local and Suburban Transit and Interurban Highway Passenger Transportation	8	10	96,154	166,397	2	73.1
Water Transportation	5	10	83,132	177,730	5	113.8
Transportation by Air	5	9	132,203	228,746	4	73.0
Communications	9	11	401,768	483,722	2	20.4
Electric, Gas, and Sanitary Services	10	12	187,452	409,444	2	118.4
Wholesale Trade	15	20	236,664	281,582	5	19.0
Durable Goods	4	7	*	*	3	*
Nondurable Goods	11	13	159,849	140,638	2	-12.0
Retail Trade	81	104	935,885	1,311,653	23	40.2
General merchandise stores	17	16	141,299	190,994	(1)	35.2
Eating and drinking places	34	43	292,239	507,401	9	73.6
Finance/Insurance/Real Estate	30	38	378,432	588,301	8	55.5
Real Estate	16	17	243,137	281,176	1	15.6
Holding and Other Investment Offices	10	10	76,661	121,016	-	57.9
Services	302	400	4,268,925	6,546,483	98	53.4
Business Services	35	30	472,950	548,901	(5)	16.1
Health services	36	77	580,610	1,545,620	41	166.2
Social Services	100	109	1,498,678	1,846,904	9	23.2
Public Administration, excluding Federal Government	57	62	883,854	935,730	5	5.9
Nonclassifiable establishments or not applicable	3	2	*	*	(1)	*

* Data is nondisclosable

Note: The industry information is based on the IUI wage database and may differ from information supplied by the client on the enrollment form. For clients with more than one employer, the client is assigned to the industry in which the most wages were earned prior to training.

APPENDIX

Appendix A - Glossary

Active clients- Clients who participated in at least one activity during the fiscal year or who completed the program during the fiscal year. Active clients are counted only once in a fiscal year. An active client is the same as a participant.

Activity- Any single training session. Clients are counted for each activity in which they participate in a fiscal year. Individuals who enroll in multiple activities are counted more than once.

AHRIC- Alaska Human Resource Investment Council. This agency oversees the STEP program.

Applicants- Persons who applied to enter the STEP program during the fiscal year. Individuals may have been enrolled in the prior fiscal year, exited the program, and re-applied in the current fiscal year. Applicants are counted only once during the fiscal year. The earliest date is used if there are multiple application dates.

Claimants- Persons receiving Unemployment Insurance benefits.

Continuing clients- Persons who enrolled in the prior fiscal year and who have not exited the program yet. Continuing clients are counted only once during both the current and prior fiscal year.

Contracting agencies- Agencies that provide client services to STEP participants. Agencies include public and private post-secondary educational institutions, private for-profit and non-profit businesses, union apprenticeship and training trusts, tribal organizations, and economic development agencies. The Private Industry Councils serve as contracting agencies.

Cost per active client- Total expenditures divided by the number of active clients.

Early intervention- Providing STEP services to clients who filed unemployment claims within five weeks of their initial UI claim or who filed for UI within 10 days of entering the program in an effort to prevent clients from exhausting their UI claims.

Enrollees- Same as new clients. The earliest date is used if there are multiple enrollment dates.

Exhaustion- Collecting the maximum benefit amount of unemployment insurance compensation, becoming ineligible for additional payments.

Exhaustion rate- The number of UI claimants exhausting their benefits as a percentage of the total number of UI claimants.

Exiters- Clients who exited the program for any reason during the fiscal year.

FY- Fiscal Year. The State of Alaska's fiscal year begins on July 1 and ends on June 30. For example, Fiscal Year 2000 begins July 1, 1999 and ends June 30, 2000.

New clients- Persons who were not enrolled in STEP during the prior fiscal year. New clients are counted only once in a fiscal year. New clients are the same as enrollees.

Newly created job- A job that did not exist in the quarter prior to STEP participation, as opposed to a job vacated by an employee. This information is provided by the WIB.

Participants- STEP clients, including new, continuing and terminated clients. Participants are counted only once in a fiscal year, regardless of the number of times they enrolled or terminated the program. Participants are the same as active clients.

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Private Industry Councils- Same as contracting agencies.

Residents- For purposes of this report, a resident of Alaska is a person who has applied for a Permanent Fund Dividend in the current or prior year.

SDA- Service Delivery Area. SDAs are now referred to as local Workforce Investment Boards.

Shortage occupation- An occupation for which there is an insufficient supply of trained resident workers to meet the demand. These occupations have a large share of non-Alaskans employed. The list of shortage occupations is determined by the Department of Labor and Workforce Development, Research and Analysis Section as part of the resident hire program.

STEP- State Training and Employment Program. A training program funded by one-tenth of one percent of UI contributions. STEP serves individuals who are collecting UI benefits or who have difficulty finding employment.

Successful completion- This term is used to describe a client exiting the program for a positive reason, usually employment, as defined by the STEP objectives. The term can also be used to describe the termination of an individual activity within the program.

Terminated clients- Clients who exited the program for any reason during the fiscal year. They may be new or continuing clients. Terminees are counted only once in a fiscal year, regardless of the number of times they exited the program. The latest termination date is used if the individual exited STEP multiple times in the same fiscal year.

Total expenditures- Funds provided by the Department of Labor and Workforce Development to support STEP.

Total wages- Wages are the sum of all wages earned from all employers in the fiscal year. This data is collected from the Alaska Department of Labor and Workforce Development's UI wage database and is limited to employers who are covered by UI.

UI claimant- A person who has filed a request for unemployment compensation.

UI- Unemployment Insurance.

Wage recovery- The ability of STEP clients who complete the program to earn wages comparable to those they earned before entering STEP. $((\text{Earnings in the 12 months after training} - \text{Earnings in the 12 months before training}) / \text{Earnings in the 12 months before training})$

WIB- Workforce Investment Board. There are three local WIBs for Alaska: Anchorage/Matanuska-Susitna, Fairbanks, and Statewide. These agencies provide services to clients directly, manage training activities, contract with other organizations to provide client services, and set up working partnerships to promote STEP activities. Previous STEP evaluations referred to the local WIBs as Service Delivery Areas.

WIO- Workforce Investment Office. This office is responsible for the general management of STEP. Prior to 2000, it was known as the Job Training Partnership Office or JTPO. In 1999 the JTPO was moved from the Department of Community and Regional Affairs to the Department of Labor and Workforce Development and subsequently renamed.

APPENDIX

Appendix B – Shortage Occupations

Private Sector, State, and Local Government Occupations with Largest Number of Nonresident Workers Statewide Alaska 2000

<i>Occupational Title</i>	<i>% Nonresident Workers</i>
Adult Education & Other Teachers	17.1
Airplane Pilots & Navigators	30.6
Bartenders	10.2
Bookkeepers & Accounting & Auditing Clerk	12.6
Cannery Workers, Including Seafood Processing	73.3
Carpenters	19.1
Cashiers	36.1
Child Care Workers, Except Private Households	66.9
Combined Food Prep & Service, Fast Food	23.0
Construction Laborers	15.6
Cooks, Institution & Cafeteria	14.8
Cooks, Restaurant	22.2
Counter Clerks	6.8
Electricians	10.6
Fishers	14.4
Food & Beverage Preparation Occupations	13.1
Food Counter, Fountain & Related Occupations	8.9
Freight, Stock, & Material Movers	16.5
General Managers & Other Top Executives	13.1
General Office Occupations	15.2
Guards & Police, Except Public Service	15.3
Guides	66.5
Hotel Clerks	16.1
Janitors & Cleaners	56.3
Kitchen Workers, Food Preparation	11.6
Maids & Housemen	15.3
Maintenance Repairers, General Utility	17.3
Management Related Occupations	12.9
Manual Occupations	30.5
Miscellaneous Handling & Working Occupations	10.4
Operating Engineers	6.2
Receptionists	12.2
Registered Nurses	44.5
Sailors & Deckhands	19.0
Sales Clerks	26.2
Salespersons	15.0
Ship Captains & Mates	9.9
Short-Order Cooks	13.4
Stock Handlers & Baggers	23.3
Teacher Aides	43.8
Truck Drivers, Light	26.8
Waiters & Waitresses	20.6

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Appendix B – Shortage Occupations

Private Sector, State, and Local Government Occupations with Largest Number of Nonresident Workers Anchorage/MatSu 2000

<i>Occupational Title</i>	<i>% Nonresident Workers</i>
Adult Education & Other Teachers	19.4
Airplane Pilots & Navigators	33.5
Business Service, Except Advertising	36.3
Carpenters	16.5
Cashiers	10.8
Child Care Workers, Except Private	16.4
Construction Laborers	19.5
Cooks, Restaurant	27.0
Counter Clerks	12.1
Dispatchers	36.2
Food Counter, Fountain & Related	13.9
Food Prep & Service, Fast Food	16.2
Freight, Stock, & Material Movers	9.3
General Office Occupations	9.7
Guards & Police, Except Public Service	19.7
Janitors & Cleaners	13.4
Kitchen Workers, Food Preparation	17.0
Maids & Housemen	15.6
Management Related Occupations	10.2
Manual Occupations	21.5
Misc. Food & Beverage Preparation	21.9
Receptionists	11.3
Registered Nurses	10.8
Sales Clerks	13.3
Salespersons	11.5
Stock Handlers & Baggers	9.0
Truck Drivers, Light	11.4
Vehicle Washers & Equipment Cleaners	19.8
Waiters & Waitresses	22.0
Waiters' Waitresses' Assistants	19.9

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Appendix B – Shortage Occupations

Private Sector, State, and Local Government Occupations with Largest Number of Nonresident Workers Fairbanks 2000

<i>Occupational Title</i>	<i>% Nonresident Workers</i>
Adult Education & Other Teachers	9.3
Airplane Pilots & Navigators	31.0
Automobile Mechanics	11.3
Bartenders	15.8
Bookkeeper, Accounting & Auditing Clerk	6.7
Carpenters	16.7
Cashiers	8.9
Child Care Workers	16.7
Combined Food Prep & Service	28.9
Construction Laborers	18.2
Cooks, Restaurant	21.6
Counter Clerks	17.5
Dancers	54.1
Electricians	11.8
Food Counter, Fountain	12.6
Freight, Stock, & Material Movers	8.9
General Managers & Executives	7.4
General Office Occupations	10.3
Guards & Police, Except Public Service	20.6
Hotel Clerks	20.1
Janitors & Cleaners	17.9
Kitchen Workers, Food Preparation	16.1
Maids & Housemen	16.1
Maintenance Repairers, General Utility	18.3
Manual Occupations	17.0
Misc. Food & Beverage Preparation	17.2
Operating Engineers	13.5
Personal Service Occupations	30.1
Postsecondary Teachers	20.4
Receptionists	11.4
Registered Nurses	12.8
Sales Clerks	14.7
Salespersons	14.2
Secretaries	6.9
Short-Order Cooks	33.1
Social Workers	7.0
Stock Handlers & Baggers	13.2
Truck Drivers, Heavy	9.0
Truck Drivers, Light	12.8
Vehicle Washers & Equipment Cleaners	15.7
Waiters & Waitresses	24.6

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Appendix B – Shortage Occupations

Private Sector, State, and Local Government Occupations with Largest Number of Nonresident Workers Balance of State 2000

<i>Occupational Title</i>	<i>% Nonresident Workers</i>
Airplane Pilots & Navigators	40.6
Bartenders	17.2
Bookkeepers & Accounting & Auditing	7.7
Cannery Workers, Including Seafood Processors	74.2
Carpenters	14.6
Cashiers	13.1
Child Care Workers	16.3
Construction Laborers	12.3
Cooks, Institution & Cafeteria	22.9
Cooks, Restaurant	37.4
Electricians	25.3
Elementary School Teachers	7.7
Extractive Occupations	30.1
Fishers	67.6
Food & Beverage Preparation Occupations	26.9
Freight, Stock, & Material Movers	21.3
General Managers & Other Executives	11.5
General Office Occupations	11.6
Guides	63.8
Heavy Equipment Mechanics	25.6
Hotel Clerks	37.1
Janitors & Cleaners	11.5
Kitchen Workers, Food Preparation	21.7
Machinery Maintenance Mechanic	72.2
Maids & Housemen	29.0
Maintenance Repairers, General Utility	17.0
Manual Occupations	20.5
Marine Engineers	52.7
Misc. Hand Working Occupations	69.0
Misc. Occupations	39.0
Operating Engineers	17.9
Petroleum Technologists & Technicians	32.4
Production Inspectors, Checkers & Examiners	77.7
Registered Nurses	21.6
Sailors & Deckhands	45.5
Sales Clerks	17.8
Secondary School Teachers	14.9
Ship Captains & Mates	45.1
Short-Order Cooks	23.0
Stevedores	23.7
Teacher Aides	7.1
Truck Drivers, Heavy	14.9
Waiters & Waitresses	32.6
Welders & Cutters	28.7

APPENDIX

Appendix C – Training Provider Costs

Vendor Name	Number of Multiple SSN's	Number of Unique SSN's	Total Training Activities	Amount
A & W Wholesale Co Inc		1	1	233.32
Air Liquide America Corp	1	3	4	881.35
AK Laborers Training Trust	116	115	231	94,418.98
Alaska Coastal Homes		2	2	778.00
Alaska Electrical Light & Power AEL&P		2	2	233.28
Alaska Industrial Hardware		3	3	1,793.17
Alaska Joint Electrical	4	22	26	53,003.90
Alaska Marine Highway System		2	2	538.00
Alaska Operating Engineers	88	74	162	85,814.30
Alaska Trademark Shellfish	2	3	5	31,646.38
ALASKA VOCATIONAL INSTITUTE		2	2	6,700.00
Alaska West Express Training Center		1	1	770.00
All I Saw Cookware		1	1	160.50
Anchorage Municipality of (PeopleMover)		1	1	30.00
AVTEC	14	52	66	91,402.86
Barnes & Noble Booksellers		1	1	305.91
BBNA	46	26	72	42,991.61
Behrends Mechanical Inc		1	1	355.88
Best Western Golden Lion Rest		2	2	1,052.00
Big Rays Surplus Inc		1	1	176.00
Borders Inc		1	1	95.96
Bristol Bay Contractors Inc		1	1	280.00
Brown & Hawkins Corporation		1	1	251.98
Brown's School of Phlebotomy		1	1	7,025.00
Career Academy Inc		1	1	465.00
Carlenes Uniform Shoppe		4	4	759.00
Carrs Quality Center		1	1	100.00
Center For Employment & Education (CEE)	17	24	41	123,316.50
Center for Legal Studies		1	1	218.00
Charter College Corporation of Alaska	1	1	2	215.78
Coldwell Banker / Race Realty		2	2	165.00
Coogan Construction Inc		2	2	600.00
Cornerstone Home Health Inc		17	17	18,845.20
Data Bank Computer Services	1	1	2	5,855.00
Eagle Appliance Service Center	1	2	3	164.01
Easy Travel Services Inc		1	1	491.00
Energy Group / AIDEA	35	32	67	66,857.90
Environmental Management Inc	2	2	4	1,192.00
Eye Clinic of Fairbanks		1	1	322.00
F&F Safety		1	1	510.00
Fairbanks North Star Borough		2	2	334.77
Fred Meyer		5	5	581.66
Goldpanner Services		8	8	2,223.89
Graybar Electric Company Inc		2	2	924.97
Hals Body Shop		1	1	500.00
Healing Arts Massage Therapy		1	1	4,950.00
Hillside Motel & Rv Park	1	2	3	1,030.00
Ilisagvik College	1	2	3	9,473.00
Indian Valley Meats Inc		2	2	5,800.00
Insurance License Preparation of Alaska		1	1	1,550.00
Interior Welding & Tool Supply		1	1	170.00
International Brotherhood Elec Wkrs		3	3	3,000.00
Intra-Sea Inc		7	7	11,060.00
Jeffus & Williams Co Inc		1	1	37.50
Johnstone Supply		1	1	868.00

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Appendix C – Training Provider Costs

Vendor Name	Number of Multiple SSN's	Number of Unique SSN's	Total Training Activities	Amount
Juneau City & Borough of Transit	1	5	6	510.00
Juneau Urgent Care Family Clinic		1	1	99.00
K Mart Pharmacies Inc		1	1	131.49
Ketchikan Gateway Borough		1	1	30.00
Kmart Corporation		1	1	24.99
Kneading Things		1	1	375.00
Labor Trus' Services Inc		2	2	1,998.00
Laborers/Hod	1	36	37	26,467.83
Lamonts Apparel Inc		4	4	989.97
Literacy Council of Alaska		25	25	14,766.25
Matanuska Electric Association		1	1	100.00
Medical Park Family Care Inc		1	1	140.00
NAPA Auto Parts		1	1	379.07
New Concepts Beauty School		1	1	1,255.00
New Frontier Vocational Technical Center		2	2	9,900.00
North Star Computing Inc		1	1	350.00
Northland Book & Chart	1	5	6	1,563.20
Northwest Artic Borough School Dist	5	5	10	11,994.00
Norton Sound	9	9	18	6,016.90
Not Named 1		1	1	65.00
Not Named 4		2	2	800.00
NRI Schools		2	2	3,740.14
Occupational Safety & Health Adm		1	1	210.00
Pacific Rim Properties, Inc		1	1	1,420.00
Participant Reimbursement	11	44	55	37,601.24
Peninsula Airways Inc		1	1	380.00
Persinger Ken-Repair Service		1	1	142.00
Piledrivers Local 2520 JATP	6	6	12	42,120.71
Pioneer Properties		1	1	200.00
Plumbers Pipefitters Local Un 262		1	1	239.00
PTI Communications		1	1	24.25
Public Safety Employees Assn		1	1	20.00
Real Systems		1	1	535.00
Renew U Design Academy	1	1	2	5,670.00
RurALCap	60	69	129	102,381.30
S & W Radiator		1	1	717.00
SEARHC	23	25	48	47,240.24
Sears Optical		1	1	228.00
Sears Roebuck and Co		2	2	1,447.83
Seward Ships Chandlery		1	1	47.50
Sitka Community Hospital	1	1	2	279.90
Snap-On Industrial		3	3	2,252.15
Southeast Board of Realtors		2	2	653.00
State of Alaska	5	7	12	4,919.00
State of Alaska/DMV		1	1	100.00
Sunshine Travel Inc		2	2	2,455.18
Sweetwater Travel	3	11	14	8,304.00
Switzer Village Mobile Home Pk		2	2	470.00
Team Cutters Inc		8	8	2,496.10
Teamsters Local 959		2	2	7,045.00
The American Red Cross		1	1	25.00
The Radact Program	7	7	14	28,208.74
Tongass Regional Eye Clinic		1	1	400.00
Tool Crib of the North		1	1	609.90
Trophy Tanning	5	1	6	3,100.00

APPENDIX

Appendix C – Training Provider Costs

<u>Vendor Name</u>	<u>Number of Multiple SSN's</u>	<u>Number of Unique SSN's</u>	<u>Total Training Activities</u>	<u>Amount</u>
Twilight Travel Inc		3	3	1,373.25
Tyee Travel Inc		1	1	285.50
University Alaska Fairbanks	11	72	83	127,628.14
University of Alaska	13	16	29	47,559.22
University of Alaska - Juneau	1	1	2	5,000.00
University of Alaska - Sitka		1	1	600.00
Valley Academy of Nursing Assistants		2	2	7,000.00
Valley Hospital Association		3	3	248.76
Valley Medical Supply		1	1	70.00
Vista Optical		1	1	90.00
Wasilla - Chevron Food Mart		3	3	228.42
Wayland Baptist University		1	1	252.00
West Coast Training		1	1	4,341.00
Wyatt Enterprises, Inc.		1	1	1,400.00
Missing Vendor Name	215	192	407	356,122.00
Not Captured At Time -old JTPA Rcds Only	20	55	75	16,075.32
Total	729	1,122	1,851	\$ 1,267,232.73

Note: Training provider costs compiled by StrateGen Inc.